



DISB ANNOUNCEMENTS

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All You Needed to Know About American International Group

In the face of continuing confusion regarding American International Group Inc. (AIG) and the role of state insurance regulators such as the D.C. Department of Insurance, Securities and Banking (DISB), the agency is releasing this fact sheet, which will answer many consumer questions about AIG.

Will the AIG insurance companies be able to pay claims?

In short, yes. The AIG affiliated insurance companies are financially solvent and able to pay claims. The financial issues facing the AIG Holding Company are occurring because of investments in risky mortgage-backed securities initiated by AIG financial products companies. Continued loss reports are largely due to those same investments and the newly announced government funding is primarily directed at improving AIG's capital position and protecting the value of its key businesses.

What are state regulators like DISB doing to make sure AIG insurance companies can continue to pay claims?

State insurance regulators are closely monitoring the financial condition of the AIG affiliated insurance companies and are reviewing any activity at the parent company that impacts insurance company assets. Any significant transaction impacting an AIG insurance company, including sale of the company, is subject to state regulator approval.

Didn't the government just bail out AIG? Why do they still need more money?

Due to general economic conditions, almost everyone is losing money, including AIG and other insurance companies. When the government stepped in to assist AIG, the assumption was that the AIG Holding Company could sell its valuable insurance operating subsidiaries to raise funds to pay back the loan. Unfortunately, the credit market was and continues to be basically frozen, thus the need for further support from the federal government for this systemically important company.

What happens if AIG affiliated insurance companies get into financial trouble?

State regulators have a variety of tools available if it appears that an insurer is not going to be able to fulfill its promises to policyholders. DISB, as your state regulator, can take over management of an insurer through conservation or rehabilitation. Even if liquidation of an insurance company is necessary, policyholder claims will generally be paid either by the insurance company or by a guaranty fund, which all states have in place to provide coverage to policyholders. This protection applies to direct business written by authorized licensed insurers. For more information, visit the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) at www.nolgha.com or the National Conference of Insurance Guaranty Funds (NCIGF) at www.ncigf.org.

Are the insurance and annuity policies I purchased from AIG safe, or am I going to lose my money?

Your policies are safe. AIG's insurance companies are solvent and able to honor policyholders' claims. Your state's insurance department will continue to closely monitor the situation to ensure policyholders are protected and that there will continue to be sufficient assets to pay claims.

I own an AIG American General fixed annuity. Is that protected by state insurance solvency standards in the same way that insurance policies are?

Yes. Fixed annuities are considered a type of life insurance, and as such are protected by the same solvency and guaranty framework as traditional life insurance. If at some point in the future AIG insurance companies or their assets and blocks of business are sold, fixed annuity-holders should experience no changes to the way their policies are administered—other than the fact that their correspondence may come from a different company. This is not unique to AIG; insurance companies are bought and sold everyday. Your benefits as defined in the original annuity contract remain the same in a sale.

Should I cash in my insurance and annuity policies and purchase insurance from another insurer?

As stated above, the AIG insurance companies are solvent so your policies are not in jeopardy. Whether you should cash in your insurance policy or switch insurance to another insurer is, as always, a personal decision. Please be aware that some policies may contain surrender charges and/or cancellation penalties. Contact DISB to find out all the information your agent or broker should give you before you make a decision. Talk to your financial adviser before making any decisions. If you have any insurance policy with an AIG company and someone tells you to replace it because of the troubles at AIG's parent company or supposed trouble at the insurance company, call DISB at (202) 727-8000.

Should I pay the insurance premium bill that I just received from AIG?

Yes, in order for your coverage with AIG to continue, you will need to pay the insurance premiums. Failure to pay your premiums can result in the termination of your insurance policies by the insurance company.

Would my insurance and annuity policies have been protected had AIG been declared insolvent and ordered to be liquidated by a court?

There are guaranty funds in place in all states, which act as a safety net in the event an insurer becomes insolvent. You may obtain information about the District's guaranty funds by contacting DISB.

How can I check on the financial status of a specific AIG insurance subsidiary?

You can search for each individual AIG subsidiary in the National Association of Insurance Commissioners' [Consumer Information Source \(CIS\)](#). Here you will find financial information specific to the company as well as complaint data and licensing information.

Who do I call if I have questions about my AIG policy?

Contact DISB by visiting our Web site at www.disb.dc.gov or by calling (202) 727-8000.

What can I do if I am having difficulty getting through to AIG on the telephone?

You may obtain information about filing a complaint through DISB or through the NAIC's [Consumer Information Source \(CIS\)](#).

For More Information

Call the D.C. Department of Insurance, Securities and Banking
At (202) 727-8000 or visit our Web site at www.disb.dc.gov